NOTICE OF HEARING AND PUBLIC MEETING IN THE MATTER OF THE PROPOSED CREATION OF A WATER DISTRICT IN THE UPPER SALMON RIVER BASIN AREA IN ADMINISTRATIVE BASINS 71 & 72

The Director of the Idaho Department of Water Resources ("Director") is authorized to divide the state into water districts for the purpose of distributing water among appropriators under the laws of the State of Idaho. The authority to create water districts applies to those streams, or other water sources including ground water, for which the priorities of appropriation have been adjudicated by court decree. During a water rights adjudication, Section 42-1417, Idaho Code, authorizes the district court to approve interim administration of the water rights by the Director if reasonably necessary to protect senior water rights. The district court may permit the distribution of water pursuant to chapter 6, title 42, Idaho, in accordance with partial decrees entered by the court or in accordance with a Director's Report as modified by the court's order

On September 29, 2005 the Snake River Basin Adjudication ("SRBA") District Court issued an order authorizing the Director to distribute water pursuant to chapter 6, title 42, Idaho Code, in accordance with the Director's Reports and the partial decrees that have superseded the Director's Reports within Administrative Basins 71 and 72. The Director proposes to create a permanent water district for all of Administrative Basins 71 & 72 as shown in the map below.

NOTICE IS HEREBY GIVEN, pursuant to Section 42-604, Idaho Code, that the Director of the Department of Water Resources will conduct a public hearing regarding the proposed creation of the water district as follows:

PUBLIC HEARING FOR PROPOSED WATER DISTRICT:

7:00 PM, November 9, 2005 at the Challis High School Cafeteria, 100 High St, Challis, Idaho.

NOTICE IS FURTHER GIVEN that the Department of Water Resources will also hold a public information meeting as follows:

PUBLIC INFORMATION MEETING FOR PROPOSED WATER DISTRICT:

7:00 PM, October 24, 2005 at the Challis High School Cafeteria, 100 High St, Challis, Idaho.

Information and testimony presented at the hearing on November 9th will create a record upon which the Director will rely to determine whether formation of a water district is appropriate, and, if so, how the district should be formed. It is important that holders of water rights understand and participate in the hearing. The Director will serve as the hearing officer. Persons attending the hearing will be provided an opportunity to make an oral presentation regarding the creation of the proposed district. Written comments may be submitted to the Director at the hearing or at any time prior to the close of the written comment period on November 21, 2005. Written comments not presented at the hearing should be sent to the Director, Department of Water Resources, 322 E Front St., Boise, Idaho, 83720.

The hearing will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. Should you require special accommodations in order to attend,

participate in, or understand the hearing, please contact the Department of Water Resources at least 10 days prior to the hearing

The public information meeting scheduled on October 24th will provide information about why the Director is proposing creation of the district; a timeline for district formation, operation and expansion; and related information regarding the SRBA Wild and Scenic Rivers agreement between the United States and the State of Idaho. The Director proposes creation of the Upper Salmon Water District, which will initially be limited to Basins 71 and 72 and become operational in 2006. The Director further proposes that the Upper Salmon Water District be expanded by 2007 to encompass all of Administrative Basins 73, 74 and 75, after the water rights in those basins have been decreed by the SRBA district court or included in a Directors Report submitted to the SRBA district court. The Director plans to petition the SRBA court for interim administration in Basins 73, 74 and 75 within six months after Director's Reports are submitted to the court for those basins. It is expected that Director's reports for these basins will be filed with the SRBA court in 2006. The Director proposes that existing water districts in the Upper Salmon River sub-basins will be converted to sub-districts within the proposed Upper Salmon Water District

The Director proposes that all water rights with points of diversion located within the boundaries of the proposed district be included in the district, except those used solely for domestic and/or stock water purposes. Permitted and licensed rights not decreed in the SRBA and/or not included in SRBA Director's reports, and all future rights that may be permitted in accordance with the Wild and Scenic Rivers agreement are subject to inclusion within the proposed water district unless used solely for domestic and/or stock water purposes. This notice of hearing has been sent to all water right holders of record in accordance with these criteria. Karl J. Dreher, Director

